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FISCAL IMPACT STATEMENT

LS 7308

BILL NUMBER: SB 269

NOTE PREPARED: Feb 28, 2005

BILL AMENDED: Feb 24, 2005

SUBJECT: Health Coverage Mandate Option.

FIRST AUTHOR: Sen. Miller

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation:(Amended) The bill allows, under certain circumstances, an accident and sickness insurer or a health maintenance organization (HMO) to provide a policy or contract without complying with all health benefit mandates. It requires insurers and health maintenance organizations to report specified information to the Department of Insurance (DOI) concerning these policies and contracts. The bill requires the DOI to report this information and other specified information to the Legislative Council.

Effective Date: July 1, 2005.

Explanation of State Expenditures: (Revised) The bill requires insurers and HMOs to report specified information to the DOI concerning policies and contracts. The DOI must report this information and other information to the Legislative Council. These provisions will increase DOI administrative expenses; however, it is presumed that the DOI will be able to implement these provision within its existing level of resources.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) The proposal could affect expenditures of those local units and school corporations that employ not more than 50 employees and that purchase group insurance or HMO coverage. The impact will depend on the number and nature of policies that employers opt to purchase that do not comply with all health benefit mandates. It is unknown if local units would absorb any savings or pass the savings on to employees, as cost sharing of health benefit premiums varies widely by locality.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Local units of government and school corporations that employ not more than 50 employees and that purchase group insurance or HMO coverage.

Information Sources:

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